

SENATE/HOUSE FILE _____
BY (PROPOSED ATTORNEY GENERAL
BILL)

A BILL FOR

1 An Act relating to mediation of certain farm disputes prior to
2 the initiation of litigation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 13.15, subsection 2, paragraph b, Code
2 2017, is amended to read as follows:

3 b. The compensation of a mediator shall be no more than
4 ~~twenty-five~~ one hundred dollars per hour, and all parties shall
5 contribute an equal amount of the cost.

6 Sec. 2. Section 654A.4, subsection 2, Code 2017, is amended
7 to read as follows:

8 2. This chapter applies to a borrower who is a natural
9 person operating a farm or any corporation, limited liability
10 company, trust, or limited partnership as defined in section
11 9H.1.

12 Sec. 3. Section 654A.6, subsection 1, Code 2017, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. c. The coordinator may adopt rules
15 pursuant to chapter 17A to set a fee for filing a request
16 for mediation under this section. The filing fee shall not
17 exceed one hundred dollars, and shall be waived for any party
18 demonstrating financial hardship to the farm mediation service.

19 Sec. 4. Section 654A.7, subsection 2, Code 2017, is amended
20 by striking the subsection.

21 Sec. 5. Section 654A.11, subsection 1, Code 2017, is amended
22 to read as follows:

23 1. If an agreement is reached between the borrower and
24 the creditors, the mediator shall draft a written mediation
25 agreement, have it the mediation agreement signed by the
26 creditors and the borrower, and submit the mediation agreement
27 to the farm mediation service.

28 Sec. 6. Section 654B.1, Code 2017, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 1A. "*Coordinator*" means the farm assistance
31 program coordinator provided in section 13.13.

32 Sec. 7. Section 654B.1, subsection 5, Code 2017, is amended
33 to read as follows:

34 5. "*Farm resident*" means a person holding an interest in
35 farmland, in fee, under a real estate contract, or under a

1 lease, if the person manages farming operations on the land. A
2 farm resident includes a natural person, or any corporation,
3 limited liability company, trust, or limited partnership as
4 defined in section 9H.1.

5 Sec. 8. Section 654B.3, subsection 1, Code 2017, is amended
6 by adding the following new paragraph:

7 NEW PARAGRAPH. c. The coordinator may adopt rules
8 pursuant to chapter 17A to set a fee for filing a request
9 for mediation under this section. The filing fee shall not
10 exceed one hundred dollars, and shall be waived for any party
11 demonstrating financial hardship to the farm mediation service.

12 Sec. 9. Section 654C.1, Code 2017, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 1A. "*Coordinator*" means the farm assistance
15 program coordinator provided in section 13.13.

16 Sec. 10. Section 654C.2, Code 2017, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 4. The coordinator may adopt rules
19 pursuant to chapter 17A to set a fee for filing a request
20 for mediation under this section. The filing fee shall not
21 exceed one hundred dollars, and shall be waived for any party
22 demonstrating financial hardship to the farm mediation service.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 This bill amends Code chapters 654A, 654B, and 654C, which
27 provide for mediation affecting agricultural producers. Code
28 chapter 654A requires mediation between creditors and farmers
29 who are borrowers prior to the enforcement of a legal action to
30 collect debt. Code chapter 654B requires mediation in disputes
31 involving farmers who provide care and feeding to livestock
32 under contract. Code chapter 654C allows for mediation between
33 producers and neighbors negotiating for the construction of
34 animal feeding operation structures closer than otherwise
35 legally allowed to the neighbor's property. Under each of

1 the Code chapters, the farm mediation service conducts the
2 mediation.

3 Mediation is a method for parties in a dispute to reach
4 an accommodation prior to instituting a legal action. If an
5 accommodation is reached, the parties execute a mediation
6 agreement. If an accommodation is not reached, the mediator
7 issues a mediation release which allows a plaintiff to file a
8 claim for relief in district court. In the instance of Code
9 chapter 654C, legal action is not at issue because mediation is
10 initiated by the agricultural producer to obtain a waiver of a
11 statutory requirement.

12 Under current law, the compensation for the mediator is
13 no more than \$25 per hour, and all parties contribute an
14 equal amount of the cost. The bill raises the mediator's
15 compensation to no more than \$100 per hour.

16 The bill provides that the farm assistance program
17 coordinator may adopt rules to set a fee for filing a mediation
18 request under Code section 654A.6 (mandatory mediation
19 proceedings), Code section 654B.3 (mandatory mediation
20 proceedings), and Code section 654C.2 (mediation proceedings).
21 The filing fee cannot exceed \$100, and may be waived for any
22 party demonstrating financial hardship to the farm mediation
23 service.

24 Current law requires that the farm mediation service, after
25 receiving a mediation request for a dispute between a creditor
26 and a farmer who is a borrower, notify the borrower that legal
27 assistance may be available without charge through the legal
28 assistance for farmers program provided in Code chapter 13.
29 The bill eliminates this requirement.

30 Code chapter 654A applies to a borrower operating a farm
31 who is a natural person, corporation, trust, or limited
32 partnership. Code chapter 654B applies to farm residents,
33 which are natural persons, corporations, trusts, or limited
34 partnerships holding an interest in farmland and managing the
35 farming operations on the land. The bill provides that a

1 limited liability company may be a borrower for purposes of
2 Code chapter 654A and a farm resident for purposes of Code
3 chapter 654B.

4 Under Code chapter 654A, if a mediation agreement is
5 reached between the borrower and the creditors, the mediator
6 is required to draft a written mediation agreement, have it
7 signed by the creditors, and submit the agreement to the farm
8 mediation service. The bill requires that the borrower also
9 sign the mediation agreement.

10 The bill makes conforming changes.